

Kidney Health Care

Recipient Handbook

This informational booklet has been developed to help introduce End-Stage Renal Disease (ESRD) recipients to the Texas Department of Health, Kidney Health Care (KHC) program. It includes information on the benefits covered by KHC, claims, frequently asked questions, and KHC policy information. Also included in this booklet are additional ESRD resources, and a list of frequently used acronyms.

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What is Kidney Health Care?

In April 1973, the Kidney Health Care Act established the Kidney Health Care (KHC) program under the Texas Department of Health. This law allows State funds and resources to be used for the care and treatment of persons suffering from chronic kidney failure, also known as End-Stage Renal Disease (ESRD). In so doing, the Legislature realized the State's "responsibility to allow its citizens to remain healthy without being pauperized . . ." by the extremely expensive treatment which is necessary for those suffering from this disease.

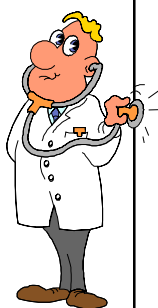
The impact and cost of ESRD on Texans can be great. Most dialysis patients do not receive any medical benefits from Medicare for a three-month period after the initiation of dialysis, and Medicare does not offer any coverage for most drug and travel expenses associated with the treatment of ESRD. Kidney Health Care became operational in September of 1973 under the administration of the Texas Department of Health. The primary purpose of KHC is to "direct the use of resources and to coordinate the efforts of the State in this vital matter of public health."

Overview of Benefits

Benefits available to qualified recipients include payments for allowable drugs, travel, and medical benefits. KHC benefits are paid only after all other third-party payors have met their liability. There's a \$30,000 maximum benefit per recipient, per fiscal year.

What we cover

Medical



KHC provides limited payment for ESRD-related medical services. Allowable services are limited to inpatient and outpatient dialysis treatments and for services required for access surgery, which include hospital, surgeon, and anesthesiology charges.

These services are provided to eligible recipients during the Medicare qualifying period, (normally a three month period following the initiation of chronic dialysis treatments), or to recipients who can document that they are not eligible to receive Medicare or Medicaid benefits.

Medical claims must be submitted by the provider. If you are eligible to receive medical benefits, please take your Notice of Eligibility to your dialysis provider and to your access surgery provider for billing and payment of allowable medical charges.

Access Surgery

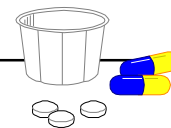
Access surgery, which is necessary for the maintenance of dialysis treatments, is available to eligible KHC recipients. Access surgery benefits are payable only if the services were performed on or after the date Texas residency was established and not more than 180 days prior to the recipient's KHC eligibility effective date.

Medicare Premium Payment

KHC will pay the premium for Medicare Parts A and B on behalf of KHC recipients who are not eligible for "premium free" Medicare Part A (hospital) insurance under the Social Security system and who are not eligible for Medicaid Payment of Medicare premiums. Please call KHC to verify that you are eligible for this benefit before submitting a premium to KHC.

Benefits *Continued*

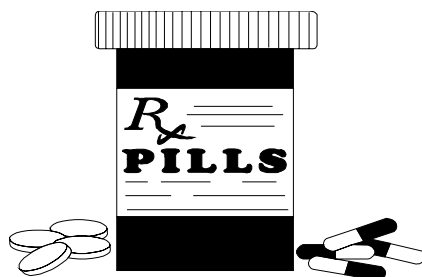
Drugs



This benefit is available to all KHC recipients, **except**:

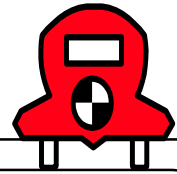
- 1) to those receiving Medicaid unlimited prescription benefits, such as participants in Managed Care Plans or Community-Based Alternative programs, and
- 2) to those with drug coverage through a private/group health insurance plan (unless a recipient has exhausted drug coverage under a private/group health insurance plan).

Reimbursement is limited to four prescriptions per month for patients without Medicaid drug coverage and to one prescription per month for patients with Medicaid drug coverage. All prescriptions (including Immunosuppressive Drugs) are limited to a 34 days supply per prescription. Reimbursement is also limited to products included on the Texas Drug Code Index (TDCI), which includes all allowable drugs that are covered by Kidney Health Care. KHC requires all recipients to obtain their medications from a KHC Participating Pharmacy.



Revised January 20, 2000

Travel



Travel benefits are provided to eligible KHC recipients who are not eligible for Medicaid Medical Transportation benefits. KHC does not cover travel that is provided free to recipients by other agencies or services.

Travel benefits are determined and paid according to the recipient's treatment status at the time each trip is taken. A recipient may be eligible for both in-center dialysis travel benefits and either home dialysis or transplant travel benefits during the same month.

IN-CENTER DIALYSIS recipients may be paid up to 13 round trips per month. Travel benefits are based on the recipient's established round trip mileage (RTM) to and from the dialysis facility and the number of allowable round trips taken to receive dialysis treatment. Newly approved in-center recipients will begin receiving travel benefits on the 1st day of the month following their KHC eligibility effective date.

HOME DIALYSIS AND TRANSPLANT recipients may be paid up to 4 round trips per month. Travel must be for kidney-related medical services rendered to the recipient. Allowable travel may include: access surgery, access complications, home dialysis training, in-center dialysis, kidney-related lab work and X-rays, Nephrologist visits, peritoneal dialysis support, transplant surgery and follow-up. Travel to pick-up medications or medical supplies is not covered.

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Travel payments may not exceed the maximum allowable round trip mileage (RTM) established by KHC:

- For travel between cities, the maximum allowable RTM is the measured round trip distance from the recipient's city of residence to the city of their medical facility. The primary map source is the **Comptroller State Mileage Guide**.
- For travel within the same city, the maximum allowable RTM is the measured round trip distance from the street address of the recipient's residence to the street address of their medical facility. The primary map sources are (in the order of use) **Mapblast**, **Yahoo** and **MapQuest**.

The travel payment may not exceed \$200 a month, per recipient.

The current reimbursement rate is .13 cents per mile. This rate may be subject to change due to program budget limitations.

Example of Explanation of Benefits Summary

**Texas Department of Health
1100 West 49th Street
Austin, Texas 78756-3184**

**Explanation of Benefits
Bureau of Kidney Health Care
(800) 222-3986**

JANE SMITH
123 EASY STREET
ANYTOWN, TX 78756

SSN#: 123456789
KHC#: 800976543
PROCESSED DATE: 01/01/00
DIRECT DEPOSIT: N

CLAIM#T2000123-00123

CLAIM STATUS: Processed

SERVICE DATE	SUBMITTED RTM	ALLOWED RTM	EXPLANATION	PAYABLE AMOUNT
01/01/00	12	12		\$20.28

REMITTANCE/ADJUSTMENTS: \$ 0.00
TOTAL CLAIM: \$20.28

TOTAL REMITTANCES/ADJUSTMENTS: \$ 0.00
TOTAL ALL CLAIMS: \$20.28

If you disagree with KHC's decision, you may request a reconsideration within 20 days of the date of this notice. If you do not respond within 20 days you waive your right to reconsideration and fair hearing and our decision will become final. Please mail your request for reconsideration to the Research and Appeals section at the above address, or call toll free 1-800-222-3986 in Austin.

KHC Identification Number

This is a nine digit unique number that is issued to KHC recipients and is on the KHC Notice of Eligibility. Recipients should use this number when inquiring about benefits and when submitting claims.

Effective Date of Eligibility

Initial eligibility date for benefits will be the later of:

- 30 days prior to the date KHC receives a complete application
- the date the applicant is no longer considered a ward of the state
- the date the applicant is no longer incarcerated in a city, county, state, or federal jail or prison
- the date the applicant received the first chronic dialysis treatment or hospitalization for transplant surgery as reflected on the HCFA 2728
- the date the applicant established Texas residency

Termination of Benefits

KHC benefits may be terminated for any of the following reasons:

1. Failure to maintain Texas residency
2. Failure to provide income data as requested by KHC
3. Failure to reimburse the department (as requested) for overpayments
4. Failure to apply for Medicaid if recipient meets Medicaid eligibility requirements
5. Failure to inform KHC within 30 days of the following changes:
 - ♦ permanent home address
 - ♦ treatment status
 - ♦ insurance coverage
 - ♦ location of treatment
 - ♦ round trip mileage to treatment location
 - ♦ changes in income or financial qualifications affecting recipient's eligibility
6. Recipient becomes incarcerated in a city, county, state or federal jail or prison
7. Recipient regains kidney function or voluntarily stops treatment for ESRD
8. Recipient becomes a ward of the state
9. KHC determines the application (or supporting documents) contains material misstatements or misrepresentations
10. KHC determines the recipient has submitted false claims
11. KHC has not paid a claim for benefits on behalf of the recipient for twelve consecutive months

Claims



Claims submission

How a claim is submitted depends on the type of claim.

Drug Benefits

KHC recipients can go to any KHC Participating Pharmacy to get their medications. The pharmacy submits the claim electronically to KHC for payment through the Vendor Drug Program's (VDP) Electronic Claims Management System. There are no copayments required for KHC covered drugs. Most pharmacies in the state have an agreement with KHC to provide drug services to recipients. Please ask your current pharmacy if they are a KHC Participating Pharmacy. If they are not, please call KHC to get a listing of KHC participating pharmacies.

Travel Benefits

In-Center dialysis recipients do not submit travel claims. Travel benefits are processed monthly based on the established RTM on record, the treatment status effective the first day of the month, and the number of round trips taken for treatment each month. Your dialysis Social Worker receives a monthly travel report on which they indicate the number of trips you have taken to receive dialysis treatment. Please make sure to report the number of trips you take each month to your Social Worker. This report is used to determine your travel benefits at the end of the month. You should expect payment within 2-3 weeks following the month claimed. KHC does not cover travel that is provided free to you by other agencies or services.

Home Dialysis & Transplant recipients submit travel claims to KHC on a KHC travel claim form. Travel claims must be received by KHC the later of:

- 1) 95 days from the last day of the month in which services were provided; or
- 2) 60 days from the date on the KHC notice of eligibility.

The travel claim form and instructions for home dialysis and transplant recipients is available from the Information Resource Specialists at 1-800-222-3986.

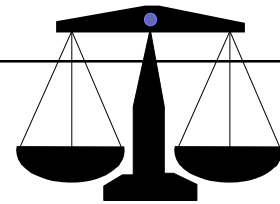
Medical Benefits

Medical claims must be submitted by the provider. If you are eligible to receive medical benefits, please take your Notice of Eligibility to your dialysis provider and to your access surgery provider for billing and payment of allowable medical charges.

Reconsideration & Fair Hearing

Recipient's Rights

KHC recipients have the right to request a Reconsideration and Fair Hearing for any decision KHC has made regarding benefits, eligibility and claims.



To request a Reconsideration

If for any reason a recipient's benefits have been modified or terminated by Kidney Health Care (see page 6... *Termination of Benefits*), he/she will receive a notice of intent to take action. The notice of intent to take action will include the action KHC intends to take, an explanation of the reasons for the action and an explanation of the recipient's right to request a reconsideration. The notice will also include the procedure by which a recipient may request a reconsideration including the address where written requests should be submitted and the phone number to call to request assistance or a reconsideration. The notice will also state that the request for reconsideration must be made within 20 days of the date of the notice and that failure to do so will mean that the right to a reconsideration and fair hearing will be waived and the action will become final. When a reconsideration has been requested within the allowed time, KHC will have 180 days to review the action and make a decision. If the request for reconsideration is not approved, the recipient will be notified of their right to a fair hearing.

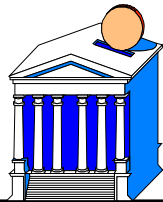
To request a Fair Hearing

If KHC does not approve a recipient's request for a reconsideration, then he/she will receive a written notice of their right to a fair hearing. The right to a fair hearing notice will include the action KHC intends to take, an explanation of the reasons for the action, and an explanation of the recipient's right to request a fair hearing. The notice will include the procedure by which a recipient may request a fair hearing, including the address where the written request should be submitted. The notice will also state that the request for a fair hearing must be made within 20 days of the date of the notice and that failure to do so will mean the right to a fair hearing will be waived and the action will become final.

KHC Policy Information

Direct Deposit, What is it?

Direct deposit is the means by which your benefit payment is electronically deposited into your bank account. It's the fastest and most convenient form of payment. To enroll, you, and your financial institution must complete the direct deposit form and return it to Kidney Health Care (Y-950), 1100 West 49th Street, Austin, Texas 78756. Direct deposit forms are available by contacting one of KHC's Information Resource Specialists at 1-800-222-3986.



Travel Record Audit

KHC will periodically audit travel records including RTMs and the number of trips claimed. You should review their Explanation of Benefits (EOB) upon receipt. When you accept payment for travel, you acknowledge that the information the payment is based on is correct and that you are liable for any overpayments. Hemodialysis patients, please be sure to report the correct number of trips you take per month to receive dialysis to your Social Worker.

Other coverage

Benefits available to KHC recipients are dependent on treatment status and eligibility for benefits from other programs such as Medicare, Medicaid or private insurance. Kidney Health Care is the payor of last resort. KHC benefits are paid only after all other third-party payors have met their liability. Contact your Social Worker or call KHC for more information about specific coverage.

Change in treatment status?

When a recipient's treatment status changes, KHC must be notified within 30 days of the change. Failure to do so could result in modification or termination of benefits or denial of claim. Either you or your Social Worker can notify one of the Information Resource Specialists or a Customer Service Eligibility Specialists of the change, in writing or by phone, at 1-800-222-3986.



Moving?

Kidney Health Care must be notified when a recipient moves. Even if a change of address has been filed with the Post Office, any delay in notifying KHC of the new address could result in checks being mailed to the wrong address. A change in address can also affect travel benefits.

Questions & Answers

Will a claim be denied if it's incomplete or incorrect?

Yes. Claims which are incomplete or incorrect will not be paid until they are completed or corrected. An incomplete or incorrect claim (other than drug claims) must be resubmitted.

Are prescriptions limited by a quantity or days supply?

Yes. KHC will only cover up to a 34 days (one month) supply per prescription.

Are all drugs covered by KHC? If not, is there a published list of prescriptions covered by KHC?

No. KHC only covers drugs and drug products related to the treatment of end-stage renal disease. All KHC allowable drugs are listed on the Texas Drug Code Index (TDCI). The KHC drug list is updated and revised by KHC staff, the KHC Advisory Committee, and the TDH Pharmacy Division. The list is available upon request by calling an Information Resource Specialist at 1-800-222-3986 or by visiting the Kidney Health Care web site at: <http://www.tdh.state.tx.us/kidney/khcmain.htm>

Will KHC cover vitamins?

Yes. Vitamins will be covered if they are on the approved KHC drug list and are prescribed by the recipient's physician.

Is there a maximum dollar amount allowed for drug claims?

No. There is no maximum allowable dollar amount for KHC drug benefits. However, prescriptions are limited to 4 per month if the recipient does not have Medicaid drug coverage and to 1 per month if the recipient has Medicaid drug coverage.

Is there a number to call to check on a claim?

Yes. The Information Resource Specialists can check on a recipient's claim status and verify benefits. The number is 1-800-222-3986.

Kidney Health Care Advisory Committee & Acronyms

KHC Advisory Committee

The nine member Kidney Health Care Advisory Committee was established in 1973 by the authority of the Texas Board of Health to provide advice and recommendations to KHC in the following ways:

- ◆ Input on the prioritization of benefits to be provided based on the latest scientific developments
- ◆ Appropriate technical expertise
- ◆ Recommendations regarding KHC benefits based on funding levels
- ◆ Coordination of KHC activities with activities of other agencies involved in end-stage renal disease

Committee members represent patients, providers, ethnic groups, gender, and geographic regions. Both consumer and non-consumer members are appointed to six year terms. The committee meets approximately four times a year. Committee members include:

Terms Effective January 1, 2001

Terms Through December 31, 2002

Lloyd Davis, LMSW-AP of San Antonio

Robert Hootkins, M.D., Chair, of Austin

Bonny Wilburn of Brownsville

Terms Through December 31, 2004

Sandra Taylor of Austin

James Webster, M.D., of Abilene

Vacancy - Non Consumer Member

Terms Through December 31, 2006

G. Baird Helfrich, M.D., of Lubbock

Nacianceno Rodela of San Antonio

Ms. Linda G. Schacht, LMSW, of Houston

Acronyms

ASKIT - Automated System for Kidney Information Tracking -Kidney Health Care's automated claims and eligibility computer system.

CMS - Centers for Medicare and Medicaid Services formerly known as Health Care Financing Administration (HCFA). The federal agency that oversees the management and operation of Medicare.

ECM - Electronic Claims Management system used by the Vendor Drug Program.

ESRD - End-Stage Renal Disease. The irreversible loss of kidney function.

KHC - Kidney Health Care.

TDH - Texas Department of Health.

VDP - Vendor Drug Program. The statewide program that oversees drug claims processing for Medicaid recipients, Children with Special Health Care Needs (CSHCN) recipients, Children's Health Insurance Program (CHIP) and Kidney Health Care recipients.

Contacts and Helpful Websites

Who to Contact To Learn...



...More about Kidney Disease

- **National Kidney Foundation of North Texas, Inc.** 3530 Forest Lane #105, Dallas, Texas 75234, (214) 351-2393 or (877) 543-6397.
- **National Kidney Foundation of The Texas Coastal Bend, Inc.**, 719 N. Upper Broadway, Corpus Christi, Texas 78401, (512) 884-5892;
- **National Kidney Foundation of South Texas, Inc.**, 8610 N New Braunfels #105, San Antonio, Texas 78217, (210) 829-1299.
- **National Kidney Foundation of Southeast Texas, Inc.**, 2400 Augusta Drive #252, Houston, Texas 77057, (713) 952-5499 or (800) 951-5683.
- **National Kidney Foundation of West Texas, Inc.**, 3801 19th Street #402, Lubbock, Texas 79410 (806) 799-7753.
- **American Association of Kidney Patients (AAKP)**, Lone Star Chapter, (512) 836-1209 or (512) 928-8343. And, the
- **ESRD Network of Texas #14**, 14114 Dallas Parkway #660, Dallas, Texas 75240-4381, (972) 503-3215.

...More about diabetes

- **Texas Diabetes Council**, Texas Department of Health at 512-458-7490.
- **American Diabetes Association (ADA)**, ATTN: Customer Service, 1660 Duke Street, Alexandria, VA 22314, at 1-800-342-2383.
- **American Diabetes Association offices in Texas:**

In South Texas		In West Texas	
Austin	(512) 472-9838	Lubbock	(806) 794-0691
San Antonio	(210) 829-1765	Midland	(915) 570-1232
Corpus Christi	(512) 887-6410		
McAllen	(956) 631-1118		
In North Texas		In Southeast Texas	
Dallas	(972) 392-1181	Houston	(713) 977-7706

Helpful Websites



Kidney Health Care..... http://www.state.tx.us/kidney/khcmmain.htm
ESRD-Network 14..... http://www.nephron.com/net14.html
Medicare..... http://www.medicare.gov/
Social Security..... http://www.ssa.gov/
Texas Department of Human Services..... http://www.dhs.state.tx.us/programs/elderly/medicaid.html
AAKP-(Lone Star Chapter)..... http://www.aakp.org
Health Facility Licensing and Compliance..... http://www.tdh.state.tx.us/hfc/hfc-web.htm

Facility Complaint Hotline -

1-888-973-0022

